

PROCEEDINGS OF THE BROWN COUNTY
ADMINISTRATION COMMITTEE

Pursuant to Section 19.84 Wis. Stats., a regular meeting of the **Brown County Administration Committee** was held on Wednesday, September 7, 2016 in Room 200, Northern Building, 305 E. Walnut Street, Green Bay, WI

Present: Chair Schadewald, Supervisor Kneiszel, Supervisor Blom, Supervisor Vander Leest
Supervisor Becker

Also Present: Supervisors Lund and Ballard; Human Resources Director Brittany Zaehringer, Child Support Director Maria Lasecki, Technology Services Director August Neverman, Director of Administration Chad Weininger, Treasurer Zeller, Interim Corporation Counsel Kristen Hooker, Finance Director David Ehlinger, other interested parties.

****Audio & Video of this meeting is available by contacting the County Board Office at (920) 448-4015****

I. Call to Order.

The meeting was called to order by Chair Richard Schadewald at 6:39 pm.

II. Approve/Modify Agenda.

Motion made by Supervisor Blom, seconded by Supervisor Vander Leest to approve the agenda with the modification of moving Child Support after Communications. Vote taken. MOTION CARRIED UNANIMOUSLY

III. Approve/Modify Minutes of August 3, 2016.

Although the corrections were made at the August County Board meeting, the vote under Item #3 needs to be corrected to show it Failed 3 to 2, not Carried 3 to 2. The adjournment time was also missing and will be added.

Motion made by Supervisor Becker, seconded by Supervisor Kneiszel to approved the minutes as amended. Vote taken. MOTION CARRIED UNANIMOUSLY

1. Distribution and Configuration of Supervisor iPads to Administration Committee Members.

No motion made.

2. Review minutes of Housing Authority (July 18, 2016).

Motion made by Supervisor Becker, seconded by Supervisor Kneiszel to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Comments from the Public None.

Communications

- 3. Communication from Supervisor Erickson re: Discussion and possible action requiring department heads to keep County Board Resolution binder along with internal policy binder to ensure County Board policies are followed, and present them yearly to Administration to ensure compliance. *Motion at Exec: To refer to each committee.***

Schadewald informed that Erickson had called him and asked that if they did any policy changes they

should note those and at the end of the year or anytime appropriate those should be conveyed to all department heads under our committee preview.

Motion made by Supervisor Vander Leest, seconded by Supervisor Blom to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

4. **Communication from Supervisor Campbell to establish a Personnel Committee for Brown County. Motion at Exec: To refer to Administration Committee.**

Supervisor Lefebvre believed, along with Supervisors Campbell and Buckley, they wanted to try to get the problem solved before it became a big problem. In talking with the Human Resources Director Brittany Zaehringer, she informed that HR didn't have the money for training and they needed more proper training. There was supposed to be a Training & Development person and no one had been in that position for a long time. She felt maybe they needed to spend money to get people trained along with supervisors and department heads. Supervisors should be sitting down with their employees telling them what the rules were and what was not allowed in the workforce and if they violate, what are the tiers/consequences. They might not need a Personnel Committee, if they can get the problem solved before it got to that point.

Motion made by Supervisor Vander Leest, seconded by Supervisor Becker to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

5. **Communication from Supervisor Van Dyck re: Change the health insurance benefit year from a calendar year 01/01-12/31 to a fiscal year 03/01-02/28. Referred from August County Board.**

Van Dyck believed one of the issues that they had in dealing with insurance every year, was that they were trying to decide on a benefit package back in September or October and nothing will be decided until the budget happened until the first week in November. The problem was it was too late in the process with a January 1 renewal to get back to the employees and have them make decisions on benefits and insurance, etc. There may be some challenges with HR but he suggested pushing the plan year off into the following year. It gave the county a little more time to implement the policy.

Motion made by Supervisor Becker, seconded by Supervisor Kneiszel to refer to HR to get the feedback of implications of such a change. Vote taken. MOTION CARRIED UNANIMOUSLY

6. **Communication from Supervisor Lefebvre re: That all further employee termination investigations by HR, all questions be typed, recorded or videotaped. Referred from August County Board.**

Lefebvre felt the notes were from a previous investigation were awful. She found discrepancies, three different handwritings, the third wasn't identified. They were also snippets of notes and she didn't know what the questions were. She felt maybe it needed to be recorded and standardized so they all know what's going on. Schadewald informed Zaehringer was working on it; he saw it during the interview process. All the questions were typed and everyone had a copy and she collected all of the answers. He stated they will do better and stated they will refer this to HR for implementation of appropriate policies.

Schadewald stated they live and learn and the part this committee could do was get some policies in place that give direction that help the county for future events and incidents and felt like they should stay on top of this and talk about it again.

Motion made by Supervisor Blom, seconded by Supervisor Kneiszel to refer to Human Resources for standardization of future employee termination investigations: policies, questions, etc. Vote taken. MOTION CARRIED UNANIMOUSLY

Although shown in proper format here, Child Support, Items 18-20, were taken at this time.

Reports

7. **Brown County Financial Statement Results – Levy Funded Departments as of July 2016.**

Director of Administration Chad Weininger informed that it looked like overall they were trending very well. Community Treatment Center and Community Programs, still had concerns moving forward with them and they will continue to monitor them. In the past last year they had finished to the negative roughly \$3 million dollars. They had to keep track of because they exhausted their fund balance. So moving forward, if they did have a deficit they will be coming out of the county's general fund and the general fund was very important for operating.

Responding to Schadewald's question, Weininger informed that department's that the Administration Committee oversaw generally ran fairly well and there weren't large swings.

Motion made by Supervisor Vander Leest, seconded by Supervisor Becker to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Resolutions/Ordinances

8. **Initial Resolution Authorizing the Issuance of Not to Exceed \$1,970,000 General Obligation Promissory Notes of Brown County, Wisconsin in One or More Series at One or More Times.**

Weininger informed there were two projects on this bond issuance, cameras at the jail that were somewhat mission-critical, they were about 16 years old and there was an issue with recordings and on the locking system. They propose moving forward on this one. In addition, affecting the Treasurer's Office was the Land Records System, ran through PALS. The state had required the county to put additional information on the tax receipts. With AS400 that would require a lot of programming plus it was an older system and they didn't believe that moving forward, it would be reliable and tax bills were extremely important to get out so instead of waiting until 2017 to bond, they would like to move forward and bond this year so they had the money right away and have enough time for implementation and running before the next tax season. The county was AAA-rated and very healthy so this shouldn't affect it. Weininger will have a Moody's phone call on September 30th. He did have a Moody's phone call today; they were looking at their lease revenue bonds, bonds that they relied on room tax to collect, through the KI and Resch Center. Moody was reevaluating how they were grading those. There was potential that they'd potentially be downgraded on that like many other municipalities. Not on general obligation (GO) bonds but it didn't matter because they weren't refinancing the lease revenue bonds and it won't really affect the county at all. The county was very strong; they looked at how was the financing set up and there was no obligation. The total outstanding was roughly overall including GO and everything else was \$132 million. Really how he looked at it was their debt service, which was around \$14 million so they had to levy \$14 million to make those payments. If they looked at a graph, which he didn't bring, they will see that they were bonding less every year and trying to curve that down. In 2020 they had a very large dip. He invited the PFM Manager who helped structure that to the County Board and he will show a map and what the projected will be moving forward. In 2020 they were going for roughly \$14 million down to \$12 million. If there was a larger project, which was probably the time to do it, if not that was taxpayers' savings because as soon as the levy was used up, they couldn't use it for other things under state statute. These were 8 year notes and the reason they were doing 8 years verses 10 was because they try to pay things off a little faster if they could. The reason they do 8 as opposed to 20 year was because they were electrical and their life expectancy wasn't as much so they try to bond within what the life expectancy was and that helped because they weren't pushing debt out which would hurt future generations when they had large needed projects. Van Dyck informed that was his concern that they were short enough to match the life expectancy.

Schadewald felt that some of those graphs and bits of information, they wanted more readily accessible for their committee. They should start thinking about which one they wanted to

provide such as debt service, etc.

Motion made by Supervisor Vander Leest, seconded by Supervisor Kneiszel to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

9. **Initial Resolution Authorizing the Issuance of Approximately \$6,070,000 General Obligation Corporate Purpose Refunding Bonds of Brown County, Wisconsin.**

Weininger informed that by approving this one, when they go out to bond, they were anticipating a savings through refinancing. With that rate they projected a savings of \$425,000 over the life of the bond. They were running out of refunding so by 2017 their rates will probably be the lowest and for 2017 they probably won't have much more to refund so they will be able to count on those refunding savings but they were getting the best rates that the market had right now. They wanted to do this before the November elections and will do this in October.

Motion made by Supervisor Vander Leest, seconded by Supervisor Becker to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

Human Resources:

10. **Budget Status Financial Report for July 2016.**

Motion made by Supervisor Becker, seconded by Supervisor Blom to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

11. **Turnover Report.**

Motion made by Supervisor Blom, seconded by Supervisor Vander Leest to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

12. **Department Vacancies Report.**

Motion made by Supervisor Blom, seconded by Supervisor Kneiszel to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

13. **Position Approval Lists.**

Zaehring informed these were the positions that came to the HR Director, the County Executive and the Director of Administration every Monday. This shows what positions were approved for posting. Schadewald informed that this was something they were able to accomplish because County Board members wanted to see. Zaehring added that after discussions here, they were trying to press through as of September 5th the way that departments request from HR to post a position; it was lots of paper and questions, so it was automated now through NEOGov system. They did training on that last week for departments so now they had eliminated most of the paper. They can do it online and it sent emails all the way up the chain for the next set of approvers so that when they got to their Monday meeting they had that list. It cut out a lot of work for department heads.

Motion made by Supervisor Vander Leest, seconded by Supervisor Blom to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

14. **Resolution Approving a RFP for a Classification and Compensation Study with Arthur J. Gallagher & Co. and a Budget Adjustment to use General Fund Balance to cover the expense.**

Zaehring informed that on her very first day working, at the Executive Committee meeting, there was a communication to draft an RFP to have the Class and Comp Study looked at. They did that and went through the process; they put together a scoring team which consisted of people from HR,

Administration, Child Support Director Maria Lasecki and Supervisor Van Dyck. There were four proposals submitted and scored. They checked references and Arthur J. Gallagher was the consultant that was chosen to move forward to present. The reason this was important, outside of benefits, which this compensation was a part of benefits, it was one of the biggest issues in the county. It was how they administer the Class and Comp plan when the Class and Comp plan was put in place back in 2015. What she could see, there were no guidelines created as to how it was to be administered, how people could go from the minimum to the max except for their cost of living adjustments and how changes could be made. There was some question that many staff had as to the validity of the study in general. She felt this new RFP, which was a little bit more comprehensive in scope, covered the issues of compression, of equity and it also was going to look at compensation holistically so benefits was a part of compensation and how that played into it. Some of the concerns that were out there about this was, if they didn't have the money to pay for the recommended changes, why do it? One of the things that was put in the RFP and that should be stated up front was in working with the consultant, they will understand from the outset there were certain budget requirements that they had to propose within. This was not Schneider or Schreiber, this was Brown County and they will have what are, in general, the history and budget requirements are but within that, what could they do and how can they do it better? Although she will not be continuing forward, she felt this project should at least be something that does move forward. It was going to take several months so the longer its put off, if it was something they wanted to do, the later they have the information when they start looking at changes they want to make for 2018.

Van Dyck informed the initial reason that he put this forward was that he didn't get the feeling that there was a lot of confidence in the last go-around. In the absence of contracts he felt it was important that they had some kind of guidelines that they used to do wages, wage structure, how do people get wage increases in the county and he felt it was lacking. So therefore he understood what the purpose was behind the first Class and Comp study and unfortunately it took way too long and it didn't have a lot of buy-in and there were some issues with it. They could point fingers but never come to any conclusion. He felt until they get a structure that everyone agreed with, or at least most people buy into, they were going to be spinning their wheels for years to come and it was going to cost them far more than what this study was going to cost if they don't get a handle on how they were going to do things going forward. He added that Zaehring laid it out pretty well, it was to kind of take what had been done and expand on that and give some validity in how do they implement this policy going forward which wasn't well done the last go-around and left them hanging and they had some negative results because of that. The only hesitation that he would have, because Zaehring was departing, who was going to spearhead this thing, he felt it was very important that the person that was running the department took ownership of it because they will have to make sure its implemented and address it. He knew there was a gentleman coming in in the interim, Zaehring felt he would be supportive of it but he wasn't sure his feeling was on it. This will be in front of the Executive Committee as well, he suggested that if they felt it was a good idea, maybe approve it pending asking him what his opinion was of the study, if he would support or not, as he felt that was important. Having been on the scoring committee, he believed this particular firm had done four or five other counties within Wisconsin which was one of the big things as to why they were selected. Schadewald understood his concern but felt they needed to do this as a County Board so he was going to push the new HR Director to follow the County Board's direction.

Motion made by Supervisor Blom, seconded by Supervisor Becker to approve. Vote taken.

MOTION CARRIED UNANIMOUSLY

15. **Human Resources Report.**

Zaehring spoke to her written Director's Report located in the agenda packet material. With regard to recruitments, the reason she felt the changes were significant, both employees that were promoted were longer term employees that worked with the county, understood the process, they weren't going to be discouraged by what they have to go through, plus they had seen the challenges that the Benefit Department had. In their previous capacities they had been stepping in and trying to help and fix things. They know what the employees should have in terms of customer service from benefits, they were organized, analytical, and she felt they will do a great job and had already done

some things. All the positions in HR will be filled as of September 20th except the Work Development Coordinator and Zaehringers.

As mentioned in her report, in terms of Benefits, from when Zaehringers started there was only one person in Benefits so there wasn't a lot of check and balances and in looking back over the Benefits department over the years, there had been just about as much turnover in that position as the HR Director so the inconsistency of implementation of policy and doing things was probably several years. It was expected that there had been mistakes and gaps administering benefits for many years so Internal Auditor Dan Process and HRIS Analyst Inez Flashberger are assisting in audits and reconciliation of accounts. They caught many things already that weren't being done correctly. These candidates were very much in to affective procedures and doing things correctly and that's where their focus had been. She felt that that in 90 days, they will see a whole different HR Department. They had a talented team there. With Consultant Pete Bilski coming in as Interim HR Director, he was someone she had worked with as a consultant here because he did their team building, they had talked about him coming in and doing an HR audit. Now that he will be the consultant, he will be able to do the HR Audit and she felt it will bring a new perspective to a lot of longstanding issues that had been in HR and an extra set of eyes on that. Responding to concerns from Schadewald, Zaehringers informed that the audit was more about the processes than any individual decision. Bilski was a retired VP of HR for some major corporations. She felt he was skilled enough to be able to handle auditing that position without conflict but she was sure he could speak more eloquently to that on Monday at Executive Committee.

As Chairman of the Administration Committee, Schadewald thanked Zaehringers for her work and wished her the best in whatever endeavors or life career choices she makes. He tried to give her credit for all the changes she did make which had been a positive for Brown County as they moved forward. The committee echoed the Chairman's sentiments. Zaehringers responded that one of the major things that she tried to do in transforming the HR team, and she knew there were a lot of aspects to HR that need work, but if they don't start with the people, it's not going to happen. Just like if you see her position in the turnover but that staff remained, and that staff was a good staff, they need investment, they want to work hard and do good things. To the extent if the committee could support them, that would be great!

Motion made by Supervisor Blom, seconded by Supervisor Vander Leest to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Treasurer

16. Budget Performance Report for the period of July 2016.

Zeller referred to Expense Account #5810 Tax Deed – The budgeted expense was \$39,750.00 for 2016, and the expenses incurred at this point were \$46,490.79. In February the County Board passed a resolution to provide economic development need to the Town of Morrison and that was supposed to be a \$25,000 contribution to the razing of the structure there. Unfortunately it was too late to take that \$25,000 from Account #4960 Gain or Loss on Sale – Tax Deeds. That was supposed to come out of the gain from 2015. Ultimately he was showing an expense greater than the budgeted expense for 2016 but they had generated a gain of \$37,408.00 in 2016 and he would assume that that will be offset for the \$25,000 because they had significant tax deed expenses to come up in November and that was going to make that account look like it was completely blown. They had to be aware that they missed the opportunity to take that money from 2015 budget. This all occurred before a number of them were on the board here.

Referring to #4108 Interest on Taxes and #4109 Penalties on Taxes, he continue to attempt to make them aware that their delinquencies are falling and falling at this four year trend of over 12% per year. That was a direct reduction on interest and penalties on taxes. As their taxpayers get healthier and mortgage companies' escrow, the revenue line for his department was going down significantly. That was good for the county as a whole but was putting a dent in the Treasurer's budget every year. With this trend reflecting on fewer foreclosed properties that they will be obtaining, they will have more current taxes but less interest and penalties and frankly he run the department on interest and

penalties basically.

Revenue line #4905 Interest, they just spoke about the bonding resolutions just passed, historically low interest rates, in 20 years he had never seen anything close to the interest rates like the last bonding issue that was passed in the spring. What that reflects in their interest on their investments so concentrating on putting more time into investing, again, they were at a 2-3 year horizon on their longer portfolio but interest was harder to come by. That line item for income went right back to the general fund of Brown County so they had a few trends that were flagging the Treasurer's Office. In this environment they can't take any more risk, they were bound by an investment policy. He wasn't suggesting they take any more risk but until the interest rate trend reverses, which could happen quickly, they had to budget accordingly, reasonably.

The kickoff dates for the new system will be April 1. In the RFP they requested that full implementation for tax bill purposes are in place by October 2017. Keep in mind they may have to run parallel systems at that time throughout 2017 because you have an entire Land and Records system that you are going to flip the switch on. There were approximately 102,000 parcels, all of that information for each of the parcels has to be migrated to a new Land and Record system. There had to be entire confidence and testing before a switchover is made for tax purposes. All of the assessments need to be loaded by parcel, this was an enormous project. If they had to run two systems concurrently they are going to need help so they had budgeted the possibility for that in the Land Records RFP budget. He wasn't asking for it yet but it was in there to be realistic. They had every intention to be on the new Land Records system for December 2017. Responding to Zeller, Weininger informed that they were allocating the money, as soon as the RFP was done and the County Board approved it, they don't need to go back and do additional approvals. Zeller stated that the RFP was out on Tuesday, August 30th to be evaluated by the vendors with a 60 day window to answer the RFP. They had set up dates for review of questions, responses, review of RFPs and contract negotiations, etc. The contract negotiations that are being spearheaded by PALS and Technology Services will be done January and February 2016. Zeller informed that they will benefit from that system.

Zeller added that the legislature passed changes adding the bonding information to the tax bill for 2016. He asked the Department of Revenue for a one year reprieve and received the denial last week. They were going to have to reprogram their old system, which was 31 years old and not supported any longer, to satisfy the Act 55 requirement for December 2016. The benefit in 2017, the tax bill, the software will be commercially produced and they will have to take into consideration all statutes in producing the tax bill.

Van Dyck felt it may behoove this committee to consider sending some information to the state about how much this change was impacting the taxpayers of Brown County to add information that he feels 99% of the general public isn't going to look at anyway. They were going to go through tens of thousands of dollars to adhere to this rule or the law that they passed. He heard today, kind of secondary from a state representative, that the only reason this got support was the person who introduced it had the power for committee assignments and if you opposed it you were basically writing yourself out of whatever committee assignments you wanted; so it was sort of forced through. Schadeveld informed that he was going to do some research; they didn't want to spend taxpayer's money to provide info that could possibly be placed as a public notice in the newspaper.

Motion made by Supervisor Becker, seconded by Supervisor Kneiszel to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

17. **Discussion – Action Treasurer's Office Items as follows:**
a. 2017 Municipal Tax Collection Agreement - Revised.

Referring to the handouts in the agenda packet material, Zeller provided the history in regard to this.

In statute Chapter 74, there was a fairly clear indication to whom payments are to be made: Payments made on or before January 31st and payments of taxes on improvements on leased land

that were assessed as personal property shall be made to the taxation district treasurer, the local treasurer of municipality. All other payments shall be made to the county treasurer. So the payments that were due as a second installment in statute are the responsibility of the County of Brown County; that was the summer collection. There was a clear indication of the intention of statute here as to whom payments are to be made. At some point from what he can find in 2003, the county treasurer decided to offer the tax collection services of first installment to all the municipalities for no fee. It went from a fee based arrangement to a free service. He could only guess why but the possibility of the interest rates being at a point that they collecting and holding the municipals money was worthwhile in that the collection period that was provided in the agreement was one week. So each week following the Friday collection the treasurer would then remit payments for the week on the following Tuesday. That gave the Treasurer's office one day to reconcile five days of payments. From 1995 to 2000 the City of Green Bay had 26,000 parcels; they now had roughly 50% more. Zeller stated the service that was provided, he could track back to 2002-2003 and then he finds no agreements in their records. Those agreements did not go before the committee, the County Board or the Executive's Office for signature. The agreements he found bare the treasurer's signature on them. He respected the County Board authority so he was bringing these agreements to the oversite committee. Schadewald informed that he was an elected official who had statutory powers and responsibilities and duties and so sometimes they report and some do what they do and he appreciated that he wanted to work with them. Schadewald stated the reason it was free before was because they were making more money holding the money.

Zeller had to make projections of their costs out 14 months from now. There were several variables that he couldn't predict. One of the biggest variables was the banks that collect on their behalf and municipalities, they charge the county nothing. The software that enables that collection does cost Brown County money and they pay fully the licensed subscription for every branch that collected; it took pressure off the Treasurer's office.

There were four parking spots that the City of Green Bay allows them to put hoods on the meters. They had 103,000 tax bills, roughly \$300 million in revenue collection in first installment, December and January, the bank collect \$6 million of that. \$240 million in eight weeks and they do it all for free for the municipalities, that was unheard of in the State of Wisconsin. The Treasurer's Office had costs that needed to be covered and that's the reason this was before them.

After their last meeting he distributed a draft agreement to the municipalities. He received responses from 8 municipalities and their biggest complaint was that he was changing a weekly settlement to biweekly settlement. The other big point of contention was that he was requesting the municipal information on tax rates being provided to them November 30th. They were saying that they may not have their rates be determined by then. They could not go past December 7th because the mortgage companies require the tax roll file by December 7th. They had to enter the information so they could pay the county for the tax bills out of all the escrow accounts. They needed enough time to disburse the funds by December 31st for the taxpayers that wanted to take the tax write-off on their federal income taxes. They had municipalities sending them and confirming their rates on December 9th and 10th and they couldn't have that. In statute there was a date of December 8th. He changed the agreement to December 8th as a requested date. He changed the disbursement, the settlement to weekly based on Friday, Monday, Tuesday, Wednesday and Thursday not Monday through Friday because they couldn't handle the bank batches, 50 batches on Monday. He backed it up one day and reduced the charge from \$1 to \$.85 and he explicitly indicated to all the municipal clerks and treasurers that Brown County was taking the cost of calculating the bills, printing the bills, folding, sealing, sorting them, they pre-sort so they get a bulk rate on their postage and they deliver to the post office. Zeller took baring all the costs of that, statute clearly indicated that it was the municipalities' responsibility. In reducing their rate to \$.85 a parcel and that was a reflection of their actual in first installment collection cost. It costed \$.87.3 to collect each payment. That was a direct cost. He spent two years tracking their costs on this. They were not going to do it for free. He received much feedback about this. He had municipalities contact him and ask him for an opt out of this agreement. If they did an opt out, he felt they were fully responsible for getting the bills out on behalf of the municipalities and if they choose to take the first collection back, they get their money instantly. They have their money and they have use of the money. If there were any municipalities

that think they are getting rich on their collections and holding the money for a week, in the interest rate environment that they were in right now, they had something coming to them. He was trying to be reasonable with this but he was firm. This was a change that municipalities was not used to, this was something different, it was a revenue generating service that they provide to them. If they choose to opt out, he fully respects that and they will not have any agreement that would have to come through their committee. He would print the bills for them and get the bills to the municipality or mail them out on their behalf. They are not including any second installment costs. The county was completely responsible for that and he was not including any of those costs in their agreement.

Schadewald stated that he had done a lot of due diligence and a lot of research and investigation and he totally got what was going on.

What Van Dyck heard from a longstanding town treasurer was that the previous county treasurer said that either they could have the county do all the collections or they could continue to do them on their own but then they were going to get charged a dollar a parcel. He wasn't able to verify but that's what he was told. He understood what Zeller was going through but ultimately someone had to pay the bill whether the county or each municipality. So unless the current charges were in some way disproportionate where Green Bay was getting some advantage over someone else at this stage, what was the purpose behind this because the bottom line at the end of the day, Brown County taxpayers were still going to be footing the bill for this no matter what; Brown County government collects \$100,000 if everyone chooses this but the City of Green Bay, Denmark, Wrightstown, etc. are going to add to their taxes to cover this so in some regard it seemed like a cost shift more than anything else.

Zeller stated that if they look at their tax bill, there were five taxing jurisdictions costs and Brown County represented about 21%. In taking that final costing figure into account, he removed 20% of their Brown County direct labor costs of 8 weeks of their staff time to cover what is really Brown County's benefit of the tax collecting. Schadewald questioned if this proposal saved Brown County taxpayers in whole any money? Zeller responded that it depended on the time value of money. He had several municipalities tell him straight out that he was abusing them in terms of using their money. If they believed that the time value of money will increase, this could be a net positive for the municipalities. If they felt they could invest their funds daily and reap the interest gains before they settle with the other taxing jurisdictions. They would in January and February have to then send the collection funds to their school district, their technical college, Brown County and the State of Wisconsin but they would have use of those funds from day one, the day they collect it to invest. Schadewald informed that he had not heard from any major municipalities that that was true; he got a letter from the City of Green Bay, Village of Howard and Hobart. The Village of Howard taxpayer was not going to gain any efficiency because they didn't believe they could do what the county did at the cost they were doing it because the economies of scale. The problem was, were they getting credit for that and were people realizing that because Brown County was doing all of this and they were saving taxpayers money because they were more efficient than if they did it piece by piece. Perhaps that was something they had to let people know, that the treasurer had created these efficiencies so that the municipalities and taxpayers were saving money and that's why their budget needed to be approved as is because that's how they kept their efficiency. Zeller stated that if you looked across the State of Wisconsin, towns and villages were doing this and they had the use of Land Records software so if and when they implement this new software, municipalities had full use and access to a portal that they can use to collect their taxes and can control that. Ultimately there was a mechanism for them to take it over. Schadewald felt it was interesting to know that most people figure the county did it better, even though it was unusual. It was almost like they never appreciated what they were doing until they had to look at what it costs. Zeller stated that this was something that maybe he should have done a better job of pointing out the specific costs. The cost of processing a physical check, if they continue the way the check cashing had done for the last 15 years, the cost to Brown County was \$.25 each check. The only way to reduce that was for Brown County Treasurer's Office was to get scanning machines and get an entire check scanning system running. He did that, he had two of them but he had to provide an employee to scan all the checks every day. From December 15th to the 31st they processed 23,474 checks. Those otherwise would have just gone to the vault and at night they were processed but that costed a quarter to do it. In

January they processed \$30,267 checks on behalf of the municipalities. They had to have someone that sits at a desk and scans and then they get kicked out and they had to redo the batch. There was a real cost to that, which was the Treasurer's cost and that was not their responsibility. In the end of the year they look back and try to look for a cost savings, they processed 147,000 in 2015. If that would now cost them a quarter a check to do so, things did not stay the same; the municipalities had to understand that cost change. Schadewald felt they were agreeing and felt they had to do a better job of making it known that they were saving money by having the county do it. Zeller stated that they don't want to be charged, he got several emails stating that. There was no room in the 2017 budget for this. The problem he had with was if they were going to do it, they were going to pay for it and that was it. They were the oversight committee and he didn't know how they viewed this but this was something that he was implementing.

In business, there was nothing that was a bigger pet-peeve of his than wanting to do it that way, because that's how it was done; he felt it was so irresponsible. He viewed their role as to represent constituents first and then represent the county. He knew there were supervisors that represented both the county and municipality so he didn't know how that was going to go but what he heard from Zeller was that it wasn't going to change what the constituents were going to be paying at the tax level so that was neither here nor there but this was something that was responsible to do for the county and that they should do. He supported it and felt he was doing something that was prudent and he hoped they did too. It may cause friction between municipalities but always doing it that way doesn't mean it was the right thing to do.

Van Dyck informed that if there was an opt-out, which Zeller was okay with, then he would support it. Going back he understood the reason this was done and there was a benefit to the county in the past. With money being worth nothing at the moment there was no longer a benefit to the county and in an essence it was costing probably in general more money because they staffed up at the county level to handle the payment volume and particularly in a lot of the smaller communities the treasurer wasn't getting paid any less than they were for the last 6 to 10 years and they didn't have anything to do. That was not a criticism of that, he applied for a treasurer position in the Town of Wrightstown and the treasurer was basically like since we don't collect taxes anymore we don't have much to do and that was the truth of the matter so when they took that responsibility on, although in the past they got interest for it and they paid for that additional overhead, they were no longer getting that so they added overhead at county level and all the municipalities had the same amount of staff that they had always had and they didn't have to do anything anymore. If they gave them an opt out, if they feel they can do it less expensively on their own and they don't want to pay for it then they can take it back and so they've given them a choice. He was in favor of that. What he would ask going forward, Zeller had done phenomenal in the short time he had been there, more than the last guy did in years, to continue to look at some of those things such as, why do we send out receipts? He worked for a company that makes tons of property tax payments and they don't ask for receipts but they get receipts. They had properties in Outagamie County, they don't get notifications of the second payment in July but Brown County sent them out. It had to be costing them a fair amount of money. They talked about all the people coming down here to the office to pay. He felt they got it reversed; he paid his electronically but yet they charge him \$1.50 to pay that electronically and he felt that should be free and they should have a desk charge of anyone that walked in the office that wanted to pay for their property taxes in a check form which costed money and costed a body sitting there, they had to staff up by two or three extra people to collect taxes. He felt they needed to look at some of those things as they went forward and if it was appropriate to put in a communication in to that or simply ask that they look at those things in the future, that was his comment.

Zeller stated that in November of last year they renegotiated their contract with their online payment processing provider, and they renegotiated the e-check payment from \$1.50 to \$.50 as a test to see if with younger generation of taxpayers if they were more comfortable with paying electronically. It was the price of a stamp. They saw little increase. He thought they would have got the ball rolling and have far greater electronic payments but that being said, the form of payment that they can receive with their existing system does not post to the parcel so those payments come in electronically and they have to manually post them still. They were not any further ahead that

they were. He had the same thought as Van Dyck. They didn't benefit from the \$.50, it went to the processing company. Van Dyck questioned if the change in software would fix the manual post? Zeller responded that the new system would have an integrated posting solution but then they had to have a marriage of the payment provider and the Lands and Records system. Zeller informed the payment had to be initiated by the taxpayer as it was not permitted to draw electronically from a taxpayers personal escrow account. There is an ACH charge of \$.03 for transactions. Another payment issue was that the electronic payment methods, debit or credit, the costs were only going up on those. Credit card companies had to take responsibility for any payment made with a chip encoded card. The rates that were charged to taxpayers were only going up on those forms of payment.

State statute indicated that the treasurer could enter into an agreement with municipalities. An ordinance does not trump a state statute but Brown County had something in their policy manual where is if it was an intergovernmental agreement where if it was under 10 it didn't need to be approved but if it was over 10 it needed to go to the County Board for approval but there were constitutional abilities that supercede their ordinances or policies. Zeller informed that there was a policy in place and he took the policy to Corporation Counsel, he recommended that he went through the committee steps and to the County Board to implement an agreement like this. He had Corporation Counsel on one hand and state statute on the other so he was bringing it to the committee.

Becker saw businesses financials and what they pay in doing this, he wanted to encourage everyone to move this forward and get to County Board as this made sense.

Zeller informed that this would result in eliminating the Limited Term Employee-Tax Collection line item that was in the budget if they did not collect first installment. Schadewald would hate to see that A or B opted out of this but their costs really don't go down.

Schadewald read into the record the letter provided to him from the City of Green Bay (attached). Responding to the statement, Brown County was authorized to keep any penalties collected on special assessments placed on the tax roll and not paid in a timely fashion, regardless of origination, Zeller informed that this was true and it was by state statute. Municipalities would have to pay the county the penalty portion of special assessments if they opted out. With regard to the proposal to not charge the other taxing authorities for printing of tax bills, the school district and technical college were not specifically called out in statute as a responsibility in this process. Also, in terms of their charge to print the bill, that was clearly not part of the agreement, he was bearing all the costs of the printing of the bill and such that was referenced in the letter. Zeller reiterated that the \$.85 was the actual cost for the first installment collection; all the costs they incur from the banks, the software that allow the banks to collect. Everything right down to the forms they used, the county paid 100% of that.

Zeller informed they were projecting out 14-15 months. He didn't know what the interest rates will be December 2017. There is no way he would agree to a refund provision. Zeller was only committing to one year on this because they had no clarity if the banks were going to continue to collect on their behalf. They had already lost two major bank collectors from this for 2016. They were trying to project out to 2017 what the bank partners were going to be willing to do for them. As far as the city's letter, they collect on behalf of the City of Green Bay in their current agreement. They had four parking metered spots outside that the City of Green Bay Parking Utility had allowed him to cover and he received an invoice for \$120. They just collected for the City of Green Bay all of their first installment property tax collections at no charge. The city had 37,000 parcels. At City Hall they had 84 parking spots. The principal of this was they had four spaces that he was outside trying to get people to move from that had come to park there even though it said clearly tax collection parking. To him it didn't make any sense to him whatsoever, and that's what he was asking. Schadewald felt there were a lot of issues between the city and the county.

Schadewald informed that he was going to vote against it because he didn't see it as a net benefit for Brown County taxpayers, in the sense that if he paid it out of one pocket or he paid it out of the

other pocket, where was he getting his best benefit? He believed Zeller did a good job of the collection and he liked that the county had all the information for the land records, the taxing, the foreclosures, etc. With the opt out, they will see how that worked. He was a little leery of the understanding that this was a net benefit for the county taxpayer. It was nothing about his proposal; he appreciated everything and didn't mind it being a county service. His worry was that all the things he improved was going to be lost in efficiencies from municipalities and municipalities and taxpayers are going to pay more.

Vander Leest was not in support as well. He felt the county had been doing it for many years; he knew there was some costs involved.

Zeller respected their opinions wherever this went; he was a county supervisor for many years and knew exactly what constituencies they had in their head. Municipalities used to pay for it; it was a free service that they were being provided for. Schadewald felt whatever happened with this issue, he felt it was always good to review everything they did. This committee was looking at moving forward but also taking a look at things done in the past and asking if it was the best thing.

Motion made by Supervisor Becker, seconded by Supervisor Kneiszel to adopt this policy as proposed by the Treasurer with the addition that the municipality could opt out.

Vote taken. Nays: Schadewald, Vander Leest. MOTION CARRIED 3 to 2

b. Policy for Handling Tax Overpayments.

Zeller informed that two years ago they had a big problem, the state at the very last moment took half of the technical college assessment on their property tax bill and they removed it from the property tax bill. This resulted in average reduction in property taxes of between \$200-\$400 for an average home. They were getting escrow checks for \$9,000 and the taxes were \$7,000 and they were printing immediate refund checks. They had a special printer, special check forms and special ink for this, which was an extremely expensive proposition. All the banks that collect on their behalf were also producing refund checks on the spot under the terms that Brown County backed every single one of those checks. Referring to the handout in the packet was a Department of Revenue advisory from 2008 that stated this should not be done. Taxpayers are used to this and rushed down and got immediate refunds for Christmas. Their office was not complying with the Department of Revenue. If they did not print immediate refunds they had to hold the receipt and the refund check for 14 days and they had to mail that check and they had to incur the costs of the receipt, instead of being automated, printed and sent out they had to print out a the receipt, a refund check, fold it and stuff it in an envelope. They were in the tens of thousands of these and this was at their cost. He didn't know what to do and put this out for discussion because they had time to think about this. This was something that the taxpayers will be very unhappy about and it was going to take them one employee just to be dedicated to refund checks and incurring the mailing costs. Their largest bank collector doesn't want to do it and if they say no they are going to direct taxpayers to the other branch banks and they are going to bail out of their voluntary participation in the tax collection. Zeller just came upon it and it had been standard operating procedure in Brown County to do so. He did a quick poll of about two dozen treasurers and there were two out of that that print immediate refunds, about 10% - Rock County and Waupaca County. The rest hold the check until the payment had been cleared, even the mortgage checks, the checks that are originated by escrow companies. They wait until the time had elapsed for the checks to fully clear. They had to track all the refund checks by day so that they know when to send it out. He wasn't sure yet what to do and they didn't have to make decision, they had been burned once by the current policy. One check that a mortgage company did not allow the check to clear, they can change their mind too and put a stop payment on a check. That was one out of thousands. Schadewald felt that maybe they could take the risk for one more year but when they cut a refund check they could attach a memo that informs that this will never happen again. Zeller liked that idea. Becker noted he was also in favor of that idea. As a side note, Zeller informed that the printer cartridge to print these checks was \$453.

No action taken.

Child Support

18. **Budget Status Financial Report for July 2016.**

**Motion made by Supervisor Blom, seconded by Supervisor Becker to receive and place on file.
Vote taken. MOTION CARRIED UNANIMOUSLY**

19. **Departmental Opening Summary.**

Lasecki informed they were fully staffed as they brought on two really qualified individuals most recently. They had a superb team. They were experiencing some relief knowing these individuals will take some of the burden of the workload because they were taxed.

Motion made by Supervisor Kneiszel, seconded by Supervisor Vander Leest to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

20. **Director Summary.**

Lasecki referred to her Director Summary in the agenda packet material and brought the committees attention to the information regarding her one-on-one meetings with staff during the month of August. This was something she offered as an idea, she felt she had her finger on the pulse and felt it created a good environment for the door not to be set to be open but it was truly open. You have to ears and one mouth, you have to do twice as much listening and she tried to do that for August. She sent out questions in advance, topics she thought were some feedback based on conversations with HR, some things she saw as opportunities to be able to dialog and get insight from the people doing the work on the frontlines, which was a LEAN philosophy. Sometimes they stayed really to the outline, other times they went completely off and talked about things they wanted to bring up. It was a framework, a template and opened the door to having a great conversation. She was happy with that. Schadewald and other committee members were interested in receiving a copy of her framework for consideration of other departments (received and attached).

Their budget was going good, the process was fine. They were lucky in that their performance was strong and as long as they continue to do that they were on the levy as little as possible. They were optimistic that the state had proposed for the next biennial budget a program similar to SPSK that will bring in a little more money which will offset positions and they were good for 2017.

**Motion made by Supervisor Becker, seconded by Supervisor Blom to receive and place on file.
Vote taken. MOTION CARRIED UNANIMOUSLY**

Back to Item 7 at this time.

Technology Services

21. **Budget Status Financial Report for July 2016.**

**Motion made by Supervisor Becker, seconded by Supervisor Blom to receive and place on file.
Vote taken. MOTION CARRIED UNANIMOUSLY**

22. **Budget Adjustment Request (16-80): Any increase in expenses with an offsetting increase in revenue.**

Increase BCCAN revenue and expense due to mandatory relocation of fiber utilities and digital infrastructure following Titledown District expansion in Ashwaubenon. All construction costs were reimbursed by Titledown District. Amount \$42,721.

**Motion made by Supervisor Becker, seconded by Supervisor Blom to approve. Vote taken.
MOTION CARRIED UNANIMOUSLY**

23. **Technology Services Monthly Report.**

Motion made by Supervisor Vander Leest, seconded by Supervisor Blom to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Department of Administration

24. Budget Status Financial Report for July 2016.

Motion made by Supervisor Kneiszel, seconded by Supervisor Becker to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

25. Departmental Opening Summary.

Motion made by Supervisor Blom, seconded by Supervisor Kneiszel to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

26. 2016 Budget Adjustment Log.

Motion made by Supervisor Blom, seconded by Supervisor Becker to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

27. Director's Reports.

Motion made by Supervisor Vander Leest, seconded by Supervisor Kneiszel to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Corporation Counsel – No agenda items.

County Clerk – No agenda items.

Other

28. Audit of bills.

Motion made by Supervisor Blom, seconded by Supervisor Becker to pay the bills. Vote taken. MOTION CARRIED UNANIMOUSLY

29. Such other matters as authorized by law.

30. Adjourn.

Motion made by Supervisor Becker, seconded by Supervisor Blom to adjourn at 9:20 p.m. Vote taken. MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Alicia Loehlein
Recording Secretary



Office of the City Finance Department

September 7, 2016

Brown County Administration Committee
Chair Richard Schadewald
305 E. Walnut Street
PO Box 23600
Green Bay, WI 54301

Re: City of Green Bay's position on the Brown County Treasurer's 2017 Municipal Tax Collection Agreement, Item 17 of the September 7, 2016 Administration committee meeting agenda.

Dear Mr. Schadewald,

The purpose of this correspondence is to respectfully disagree with the stated intention of the Brown County Treasurer's Office to begin charging the City of Green Bay the cost of \$0.85 per printed tax bill. It is the City's position that this is a cost the County is responsible for and is counterproductive to the cooperation needed to collect property taxes on behalf of all taxing entities.

The City has worked cooperatively with the Brown County Treasurer's Office in a respectful and helpful manner for decades, jointly sharing the responsibility of producing our tax bills from which all taxing entities share in the proceeds. This collaboration has fostered a positive relationship between both entities and has resulted in the parties bearing the costs of their own contributions to the tax collection process.

The City's responsibility (at no charge to the County or other taxing entities for that matter) has been assessing and valuing all property and electronically transferring those values to the County to become the basis of calculating the tax bill. This is no small feat, but the City performs this function at its sole cost each year without complaint. The City then makes this information available to the County, and in fact it appears on the Brown County Land records in addition to the City website, for the public to view.

Additionally, the City Finance Department has other responsibilities related to the tax roll including validating all information turned over to the County is accurate, calculating the assessed mill rate for all tax entities, completing the statement of assessment and statement of taxes amongst other administrative duties to ensure an accurate tax roll is prepared.

As part of Brown County's contributions to the tax collection process, it has always printed the tax bills at its own cost. More importantly, Brown County benefits from tax collections beyond what the other taxing authorities do, as it is authorized to keep any penalties collected on special assessments placed on the tax roll and not paid in a timely fashion, regardless of origination. This benefit should help compensate Brown County for its costs incurred in undertaking its responsibilities in the tax collection process.

Further, while the City appreciates the County's efforts to save money, the ultimate consideration should be on ensuring no disparate effect is created from any proposal. Notably, Brown County proposes to charge the City for printing tax bills, but does not similarly intend to charge the other taxing authorities which also benefit from the printing. Accordingly, should the County determine that it will begin charging for production or mailing costs, those costs should be shared by all taxing jurisdictions benefitting from the issuance of the tax bill.

Thank you for your consideration of the City's position and for reading this letter into the record of your Administration Committee to be held on September 7, 2016. Please do not hesitate to contact me if you have any questions or concerns at 920-448-3026.

Sincerely,

Dawn M. Foeller

Finance Director / Comptroller
City of Green Bay

Lasecki, Maria A.

From: Lasecki, Maria A.
Sent: Thursday, July 21, 2016 9:36 AM
To: Brown.County.Child.Support
Subject: Quarterly 1:1...with your Director

Hi everyone:

Given the budget, I'm a couple weeks behind in getting this out, so please forgive my tardiness. As discussed, I'm meeting with all staff rather than the immediate supervisors, post-second quarter. I really want to discuss with you any concerns, ideas and/or obtain feedback so that we're keeping lines of communication open, comfortable, and conducive to improvement-based dialogue. I want you to feel comfortable about this process or in coming to me at any time, really. I enjoy speaking with each of you immensely, we just don't do it often enough given workloads and responsibilities. August will be dedicated to doing so.

Our meeting is not formal by any stretch-in fact, think of it as being as 'informal' as possible. Everything you share will remain confidential unless you indicate otherwise. My goal here is to be the best resource and support system I possibly can be for both you and the supervisors. Simultaneously, I would like to give your managers accolades, ideas and constructive suggestions.

During the meeting, I'm requesting your perspectives on the following:

1. **Quarterly meetings**-do you like these meetings, are they helpful or is there anything you would like to change? If so, what?
2. **Concerns:** What are they, where can we improve as leaders, what bothers you, and do you have suggestions to mitigate other's concerns?
3. **Training**-do you need more, less or does someone else? If so, in what areas?
4. **Feedback and Input**-do you have the opportunity to make suggestions and share ideas? If not, why not? How can we inspire you to do more of this? What holds you back from stepping forward with constructive criticism or suggestions?
5. What can your supervisor or **I do** for **you** to assist or improve your work & your work experience?
6. **Misc.**-is there anything else you'd like to share?

There are sign up sheets on my door for the month of August-I have double the amount of appointment times for what is needed to accommodate staff. If, however, none of those work, we can arrange something else-just let me know. Please sign up for a slot at your convenience. Plan for whatever time you need....5 minutes? 30 minutes? 2 hours? ☺ My time is yours in August and any other day, week, month or otherwise...that's what I want to convey most throughout this experience!

Thank you so much!

Maria Lasecki, MS

Director, Brown County Child Support
(920) 448-7601

"There is no elevator to success. You have to take the stairs." – Zig Ziglar